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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte ROGER M. SNOW and ROBERT P. SCOTT

Appeal 2016-007546
Application 11/801,784
Technology Center 3700

Before LISA M. GUIJT, PAUL J. KORNICZKY, and
BRENT M. DOUGAL, *Administrative Patent Judges*.

KORNICZKY, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

Appellants Roger M. Snow and Robert P. Scott¹ appeal under 35 U.S.C. § 134(a) from the Examiner’s decision, as set forth in the Final Office Action dated September 8, 2015 (“Final Act.”), rejecting claims 1, 3, 5, 7, 9–13, 20–28, 61, and 63–73 under 35 U.S.C. § 101 as directed to “non-statutory” subject matter, but is more accurately directed to “patent-ineligible” subject matter.² We have jurisdiction under 35 U.S.C. § 6(b).

We AFFIRM.

THE CLAIMED SUBJECT MATTER

The claims are directed to a method of playing a card wagering game. Claims 1, 21, 61, and 63 are the independent claims on appeal. Claim 1, reproduced below with emphasis added, is illustrative of the claimed subject matter:

1. A method of playing a playing card wagering game, the method comprising:

providing a casino table having a surface bearing a layout illustrated at each of a number of player positions with at least two distinct marked areas for wagers, including a first marked area designated for a first wager and a second marked area designated for a second wager to be resolved by application of a pay table against a losing hand between a player hand and a dealer hand;

¹ Appellants identify Bally Gaming, Inc., Bally Technologies, Inc., and Scientific Games Corporation as the real parties in interest. Appeal Brief, dated February 8, 2016 (“Appeal Br.”), at 4.

² Claims 2, 4, 6, 8, 14–19, 29–60, and 62 are cancelled. Appeal Br. at Claims Appendix 1–13.

providing the pay table posted on or proximate to the casino table to define payout qualifications to be applied in a round of the playing card wagering game;

providing at the casino table a shuffling device programmed to deliver specific card counts to various positions in the round of the playing card wagering game; and

administering a round of the play card wagering game on the surface of the casino table, comprising:

a dealer accepting from at least one player the first wager in the form of at least one chip placed on the first marked area and at risk on the playing card wagering game;

the dealer accepting from the at least one player the second wager in the form of at least one chip placed on the second marked area and at risk on at least one side bet event;

the dealer using the shuffling device to deliver, from a physical set of playing cards, a random set of physical playing cards for the player hand to a player position illustrated on the layout and associated with the at least one player and a random set of physical playing cards for the dealer hand to a dealer position illustrated on the layout and associated with the dealer;

the dealer determining a rank or count of the player hand;

the dealer determining a rank or count of the dealer hand;

the dealer determining relative rank or relative count of the player hand and the dealer hand;

the dealer resolving the first wager based at least in part upon the determined relative rank or relative count of the player hand and the dealer hand, comprising:

determining whether one of the dealer hand and the player hand wins, and, if so, determining which of the dealer hand and the player hand wins;

if determined that the dealer hand wins, retaining the first wager at risk by removing the first wager in the form of the at least one chip from the first marked area;

if determined that the player hand wins, returning to the at least one player the first wager by leaving the first wager in the form of the at least one chip on the first marked area and paying to the at least one player an additional payout in the form of at least one additional chip on or proximate to the first marked area; and

if determined that neither the player hand nor the dealer hand wins, returning to the at least one player the first wager by leaving the first wager in the form of the at least one chip on the first marked area; and

the dealer resolving the second wager, comprising:

the dealer specifically evaluating the determined relative rank or relative count of

the player hand and the dealer hand, comprising:

determining whether the player hand meets or exceeds a first predetermined minimum ranking and the dealer hand beats the player hand to identify the player hand as the losing hand; and

determining whether the dealer hand meets or exceeds a second predetermined minimum ranking and the player hand beats the dealer hand to identify the dealer hand as the losing hand;

if the player hand meets or exceeds the first predetermined minimum ranking and the dealer hand beats the player hand, comparing the determined rank or count of the player hand as the losing hand to the pay table and paying to the at least one player a first side bet payout, in the form of at least one additional chip on or proximate to the second marked area, defined by the pay table based at least in part on the determined rank or count of the

player hand exceeded by the determined rank or count of the dealer hand;

if the dealer hand meets or exceeds a second predetermined minimum ranking and the player hand beats the dealer hand, comparing the determined rank or count of the dealer hand as the losing hand to the pay table and paying to the at least one player a second side bet payout, in the form of at least one additional chip on or proximate to the second marked area, defined by the pay table based at least in part on the determined rank or count of the dealer hand exceeded by the determined rank or count of the player hand;

if the player hand does not meet or exceed the first predetermined minimum ranking, the dealer retaining the second wager by removing the second wager in the form of the at least one chip from the second marked area; and

if the dealer hand does not meet or exceed the second predetermined minimum ranking, the dealer retaining the second wager by removing the second wager in the form of the at least one chip from the second marked area.

DISCUSSION

Appellants present arguments for independent claims 1, 21, 61, and 63, but do not separately address their dependent claims 3, 5, 7, 9–13, 20, 22–28, and 64–73. Appeal Br. 18–49. Thus, the dependent claims will stand or fall with the independent claims from which they depend.

The Supreme Court set forth a “framework for distinguishing patents that claim laws of nature, natural phenomena, and abstract ideas from those that claim patent-eligible applications of those concepts.” *Alice Corp. Pty. Ltd. v. CLS Bank Int’l*, 134 S. Ct. 2347, 2355 (2014) (citing *Mayo Collaborative Servs. v. Prometheus Labs, Inc.*, 132 S. Ct. 1289, 1294

(2012)). According to the Supreme Court’s framework, the first step is to determine whether the claims at issue are directed to one of those concepts (i.e., laws of nature, natural phenomena, and abstract ideas). *Id.* If the claims are directed to a patent-ineligible concept, the second step in the analysis is to “consider the elements of each claim both individually and ‘as an ordered combination’ to determine whether the additional elements ‘transform the nature of the claim’ into a patent-eligible application.” *Id.* The Supreme Court characterizes the second step of the analysis as “a search for an ‘inventive concept’ — i.e., an element or combination of elements that is ‘sufficient to ensure that the patent in practice amounts to significantly more than a patent upon the [ineligible concept] itself.’” *Id.* (alteration in original). To transform an abstract idea into a patent-eligible concept, the claims require “more than simply stat[ing] the [abstract idea] while adding the words ‘apply it.’” *Id.* at 2357 (citations omitted).

The First Step in the Alice Analysis

For the first step in the *Alice* analysis, the Examiner finds that independent method claims 1, 21, 61, and 63 are directed to “rules for managing a game of card[s],” which the Examiner determines is judicially-excepted from patent eligibility under 35 U.S.C. § 101 as “an abstract idea, and specifically, as a ‘method of organizing human activities.’” Final Act. 2–3 (citing *2014 Interim Guidance on Patent Subject Matter Eligibility*, 79 Fed. Reg. 74,618 (Dec. 16, 2014) (“2014 Interim Guidance”), as updated July 30, 2015 (“2015 Update”); *Planet Bingo, LLC v. VKGS LLC*, 576 Fed. Appx. 1005 (2014) (non-precedential)); *see also* Answer, dated June 2, 2016 (“Ans.”), at 4–5 (citing *In re Smith*, 815 F.3d 816 (Fed. Cir. 2016). In

support, the Examiner determines that the claimed methods “for playing a playing card wagering game” (claims 1, 21), “for playing a wagering game hosted by a gaming establishment” (claim 61), and “of administering a casino wagering game (claim 63)” (Appeal Br. at Claims App. 1–3, 7–10, 14–17) are similar to the claimed rules for playing physical cards found to be an abstract idea in *Smith*, and to the claimed method of managing a bingo game found to be an abstract idea in *Planet Bingo*. Ans. 4–5.

Appellants argue that the Examiner’s finding is erroneous for several reasons. First, Appellants argue that “a concept should *not* be identified as an ‘abstract idea’ ‘unless it is similar to at least one concept that the courts have identified as an abstract idea.’” Appeal Br. 20 (citing the 2015 Update); *see also id.* at 24–27. We are unaware of any requirement that the rejection must refer to other case law in order to show that the claims are directed to an abstract idea. The Subject Matter Eligibility Guidelines referenced by Appellants are merely guidelines to assist the Examiner in formulating a rejection. They are not statutory requirements. Rather, as discussed above, the Supreme Court set forth the test for subject matter eligibility.

Notwithstanding, as stated above, the Examiner determines that the claimed methods are similar to the methods for conducting a card wagering game (*Smith*) and managing bingo games (*Planet Bingo*) found to be abstract ideas by the Federal Circuit. *See, e.g.*, Ans. 4–5; *Smith*, 815 F.3d at 816 (determining that rules for playing a wagering card game using conventional physical cards are abstract ideas); *Planet Bingo*, 576 Fed. Appx. at 1007–08 (determining that methods of managing a bingo game are abstract ideas). Thus, Appellants do not identify error by the Examiner.

Second, Appellants argue that the Examiner’s finding that “rules for managing a game of cards” is the abstract idea of the claims does not properly consider or reflect the “basic character” of the subject matter of claim 1 (Appeal Br. 23; *see also id.* at 20–24) and is “oversimplifying” the claims (Reply Brief, dated August 2, 2016 (“Reply Br.”), at 8; *see also id.* at 8–11). According to Appellants, “[i]f such a categorical, generic portrayal of an ‘abstract idea’ were permissible under 35 U.S.C. § 101, **any** method related to administering a wagering game would be wholly removed from the possibility of patent protection, regardless of whether a particular wagering-related method, as claimed, provides a very particular, new, nonobvious, and useful solution to the industry that provides an inventive concept over and above any mere abstraction.” Appeal Br. 22. However, as stated above, the Federal Circuit has held claims directed to methods for playing cards and managing a game of bingo are abstract ideas.³ *See Smith*, 815 F.3d at 816; *Planet Bingo*, 576 Fed. Appx. at 1005. In addition, claims 1, 21, 61, and 63 are explicitly directed to methods “for a playing a playing card wagering game” (claims 1, 21), “for playing a wagering game hosted by a gaming establishment” (claim 61), and “of administering a casino wagering game (claim 63).” *See* Appeal Br. at Claims App. 1–13. Thus, Appellants’ argument does not persuade us that the Examiner erred in determining that the claims are directed to an abstract idea under the first step of the *Alice* analysis. Further, other than the abstract idea (i.e., rules for managing a game of cards), as determined by the Examiner, Appellants do

³ This does not mean that “**any** method related to administering a wagering game would be wholly removed from the possibility of patent protection” as claims directed to an abstract idea can still be found to be patent eligible under the second step of the *Alice* test.

not identify a basic character of claims 1, 21, 61, and 63. Moreover, a novel and nonobvious claim directed to a purely abstract idea is, nonetheless, patent-ineligible. *See Mayo*, 132 S. Ct. at 1304. In other words, we are not persuaded by Appellants’ argument that because *Planet Bingo* involved a *known* game, the Examiner erred in determining that the present claims are directed to the abstract idea of rules for a game. *See Appeal Br. 24–28.*

Third, Appellants argue that, under the first step of the *Alice* analysis, the claimed method for playing a card wagering game does not fall within the category of abstract ideas “that constitute the ‘building blocks of human ingenuity,’ *i.e.*, the basic units of ingenuity that, if tied up, would inhibit further discovery, which is the concern underlying the abstract idea exception to patent eligibility.” *Appeal Br. 28* (citing *Alice*, 134 S. Ct. at 2355-57); *see Reply Br. 2*. Similarly, Appellants also argue that the claimed method is not an abstract idea because it “is not merely fundamental practices, building blocks, or basic tools of the gaming industry, nor is it a disembodied concept dissociated from a manner of accomplishment.” *Appeal Br. 30* (emphasis omitted); *see Reply Br. 11–12*. Appellants present the same arguments in their analysis of the second step of the *Alice* analysis. *Appeal Br. 44–48.*

These arguments are unpersuasive. Merely because claims do not preempt all forms of the abstraction does not make them any less abstract. *See OIP Techs., Inc. v. Amazon.com, Inc.*, 788 F.3d 1359, 1362–63 (Fed. Cir. 2015) (“[T]hat the claims do not preempt all price optimization or may be limited to price optimization in the e-commerce setting do not make them any less abstract.”). Moreover, characterizing preemption as a driving concern for patent eligibility is not the same as characterizing preemption as

the dispositive test for patent eligibility. Instead, “[t]he Supreme Court has made clear that the principle of preemption is the basis for the judicial exceptions to patentability” and “[f]or this reason, questions on preemption are inherent in and resolved by the § 101 analysis.” *Ariosa Diagnostics, Inc. v. Sequenom, Inc.*, 788 F.3d 1371, 1379 (Fed. Cir. 2015) (citing *Alice*, 134 S. Ct. at 2354). Although “preemption may signal patent ineligible subject matter, the absence of complete preemption does not demonstrate patent eligibility.” *Id.* The Federal Circuit concluded that “[w]here a patent’s claims are deemed only to disclose patent ineligible subject matter under the *Mayo* framework, . . . preemption concerns are fully addressed and made moot.” *Id.*; *see also id.* (holding that “[i]n this case, Sequenom’s attempt to limit the breadth of the claims by showing alternative uses of cffDNA outside of the scope of the claims does not change the conclusion that the claims are directed to patent ineligible subject matter”). Given this direction from the Federal Circuit, we decline to apply a preemption standard in our analysis, and instead apply the steps set forth by the Supreme Court in *Alice* and *Mayo*.

In sum, we are not apprised of error in the Examiner’s determination that the subject matter of independent claims 1, 21, 61, and 63 constitutes an abstract idea directed to a method of organizing human activity: rules for a card game.

The Second Step in the Alice Analysis

For the second step in the *Alice* analysis, the Examiner finds that “the elements or combination of elements do not ensure that the claim amounts to ‘significantly more’ than the abstract idea itself.” Final Act. 3. In particular,

the Examiner finds that the “physical/standard deck of cards, a physical table with marked areas, tokens (and electronic recordation of that token), a shuffling device, and a physical set of cards” recited in claims 1, 21, 61, and 63 are “general limitations well-understood, routine, and conventional in the field” and/or “meaningless limitations generally linking the use of the abstract idea to a particular technologic environment.” Final Act. 3 (emphasis omitted); *see also id.* at 5–6; Ans. 5–6.

Appellants do not contest the Examiner’s finding that the claimed physical/standard deck of cards, physical casino table with marked areas, tokens (and electronic recordation of that token), and card-shuffling device are “general limitations well-understood, routine, and conventional in the field.” Appeal Br. 42–44. Instead, Appellants present several related arguments. First, Appellants argue that the Examiner considered only isolated physical elements rather than the combination of all elements. *See, e.g.*, Appeal Br. 34–41; Reply Br. 3, 11–12. Second, Appellants argue that, in *Planet Bingo*, the Federal Circuit “concluded that ‘managing the game of bingo’ was abstract for a number of reason, one of which was that ‘managing the game of bingo ‘consists *solely* of *mental* steps which can be carried out by a human using pen and paper,’” whereas “the claims recite numerous acts that are not *mental* steps.” Appeal Br. 25. Third, relying on the Declaration of Roger M. Snow, Appellants argue that the additional limitations (*see e.g.*, the italicized limitations in claim 1 above) regarding the rules in which a “‘bad beat’ side/second wager is won for *either* a high-ranking player hand *or* a high-ranking dealer hand losing to an even higher ranking hand” provides “an inventive concept by way of unconventional, solution significant features.” Appeal Br. 36; *see also* Appeal Br. 36–41;

Reply Br. 4–7. Finally, Appellants argue that “even though, if disembodied, accepting wagers, determining a rank or count of hands, resolving wagers, etc. may be considered conventional, the method acts to which the claims are directed are not so generic, but present a specific combination that is neither generic nor conventional in the industry.” Appeal Br. 40. According to Appellants, “[b]ecause the claims’ *actual recitations* recite particular, unconventional apparatus and because the claims recite *use* of the particular, unconventional apparatus, the present claims provide ‘something more’ than an abstract in the form of at least particular apparatus tied to method acts.” *Id.* at 44.

Appellants’ arguments are not persuasive. In *Smith*, for example, the Federal Circuit determined that using, shuffling, and dealing conventional physical playing cards, and determining a winner by comparing a player’s physical cards to a dealer’s reference cards are “purely conventional” activities. *See Smith*, 815 F.3d at 819. Appending purely conventional steps to an abstract idea does not supply a sufficiently inventive concept. *Id.* Contrary to Appellants’ arguments that the combination of conventional physical objects recited in the claims (e.g., Appellants’ casino table, card-shuffling device, conventional card deck) impart patent eligibility (*see, e.g.*, Reply Br. 5–7), the Federal Circuit, in *Planet Bingo*, also determined that using generic implementation of physical objects to apply an abstract idea related to rules of a game does not impart patent eligibility. *Planet Bingo*, 576 Fed. Appx. at 1007–08. Here, we are not persuaded that Appellants’ conventional “physical objects” are the type of additional features *Alice* envisioned as imparting patent eligibility. *See Alice*, 134 S. Ct. at 2358 (“[T]he mere recitation of a generic computer cannot transform a patent-

ineligible abstract idea into a patent-eligible invention. Stating an abstract idea while adding the words ‘apply it’ is not enough for patent eligibility.”) (quoting *Mayo*, 132 S. Ct. at 1294 (internal quotation marks omitted)).

In sum, we are not persuaded that the Examiner erred in determining that [i]ndependent claims 1, 21, 61, and 63, when considered “both individually and ‘as an ordered combination,’” amount to nothing more than an attempt to patent the abstract ideas embodied in the steps of the claims. *See Alice*, 134 S. Ct. at 2355 (quoting *Mayo*, 132 S. Ct. at 1298). Accordingly, the limitations of these claims fail to transform the nature of this claim into patent-eligible subject matter. *See id.* (citing *Mayo*, 132 S. Ct. at 1297–98). Dependent claims 3, 5, 7, 9–13, 20, 22–28, and 64–73 fall with the independent claims.

For the reasons above, the rejection of claims 1, 3, 5, 7, 9–13, 20–28, 61, and 63–73 under 35 U.S.C. § 101 is sustained.

DECISION

For the above reasons, the Examiner’s rejection of claims 1, 3, 5, 7, 9–13, 20–28, 61, and 63–73 under 35 U.S.C. § 101 is AFFIRMED.

No time period for taking any subsequent action in connection with this appeal may be extended under 37 C.F.R. § 1.136(a)(1)(iv).

AFFIRMED